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Anderson,
Muehlen, and
Company
Montana State
Lottery

MONTANA STATE LOTTERY
REPORT ON
MONTANA CASH DRAWINGS

JUNE 30, 1996

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MONTANA STATE LOTTERY

**REPORT ON
MONTANA CASH DRAWINGS**

JUNE 30, 1996

ANDERSON ZURMUEHLEN & CO., P.C.
Certified Public Accountants

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MONTANA LEGISLATIVE BRANCH

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Scott A. Seacat

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John Northey



Deputy Legislative Auditors:
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Operations and EDP Audit
James Gillett
Financial-Compliance Audit
Jim Pellegrini
Performance Audit

LEGISLATIVE AUDIT DIVISION

September 1996

The Legislative Audit Committee
of the Montana State Legislature

Enclosed is the report on the audit of the Montana State Lottery Observations for the year ended June 30, 1996.

The audit was conducted by Anderson, ZurMuehlen and Company, PC, under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Seacat", with a long, sweeping horizontal line extending to the right.

Scott Seacat
Legislative Auditor

96C-07

MONTANA STATE LOTTERY
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 1996

COMMISSION MEMBERS

RESIDENCE

Rebecca Erickson, Chairperson

Glasgow

David Kasten

Brockway

Robert Crippen

Butte

Larry O'Toole

Plentywood

Cliff Brophy

Columbus

ADMINISTRATIVE OFFICIALS

Gerald J. LaChere, Director

L. John Onstad, Director of Security

Leslie Darfler, Director of Operations

INTRODUCTION

We performed the following agreed-upon procedures on the Montana State Lottery for the year ended June 30, 1996:

- 1) witnessing and reporting on all Montana Cash drawings;
- 2) examining all lottery drawing equipment prior to and after each related drawing; and
- 3) testing compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are outlined by Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose is to allow lottery games in which the players purchase from the state, through the administration of the state lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent accountants' report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the Legislature, and our recommendations to the State and the Lottery. We have nothing to report in those areas.



& COMPANY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners
Montana State Lottery
Helena, Montana

We have performed the procedures enumerated below which were agreed to by the Montana State Lottery and the Montana Office of the Legislative Auditor to the accompanying statements of Montana Cash winning numbers for the year ended June 30, 1996. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described either for the purpose for which this letter has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

- All drawings are conducted in accordance with applicable rules and regulations.
- All drawings are conducted in a secure, honest and fair manner.

The procedures we performed are summarized as follows:

1. We read "Montana Cash Drawing Procedures." In performing these and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash Drawing" and determined that the applicable procedures were followed.
6. We observed the performance of one post-drawing test, recorded the results and determined the applicable procedures were followed.
7. We observed the resealing of the ball set, ball locker and machine cabinet door.
8. We observed the special second chance drawings for the Montana Lottery's "91 Days of Summer" drawings June 12, 1996, June 19, 1996 and June 26, 1996 and determined the applicable procedures were followed.

We have furnished the Office of the Legislative Auditor with a summary letter after each drawing that the Montana Cash drawings were performed and observed by us. The letter would include any unusual occurrences or deviations from the established rules and procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying statements of Montana Cash winning numbers. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Montana Lottery and the Montana Office of the Legislative Auditor and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Anderson Zurmuehlen & Co., P.C.

Helena, Montana
June 30, 1996

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS
Year Ended June 30, 1996

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

DATE	WINNING NUMBERS				
July 1, 1995	27	10	07	21	05
July 5, 1995	08	30	32	13	36
July 8, 1995	01	09	23	10	17
July 12, 1995	25	35	21	29	02
July 15, 1995	09	25	33	18	12
July 19, 1995	01	31	19	26	29
July 22, 1995	28	25	17	36	27
July 26, 1995	20	09	22	17	13
July 29, 1995	19	34	26	03	23
August 2, 1995	11	06	34	35	15
August 5, 1995	21	29	08	05	35
August 9, 1995	03	01	14	04	08
August 12, 1995	35	22	37	23	26
August 16, 1995	02	05	19	09	18
August 19, 1995	15	12	23	17	22
August 23, 1995	37	35	01	30	15
August 26, 1995	25	23	01	24	15
August 30, 1995	35	25	02	28	23
September 2, 1995	14	24	11	21	26
September 6, 1995	30	34	33	23	22
September 9, 1995	03	21	12	08	14
September 13, 1995	21	03	24	01	16
September 16, 1995	35	25	10	16	29
September 20, 1995	26	03	35	04	18
September 23, 1995	20	08	06	27	36
September 27, 1995	12	28	27	23	20
September 30, 1995	04	25	18	36	09
October 4, 1995	03	07	09	10	19
October 7, 1995	35	32	36	05	17
October 11, 1995	05	15	19	23	29
October 14, 1995	26	22	23	34	01
October 18, 1995	07	05	17	19	13
October 21, 1995	08	01	21	07	37
October 25, 1995	22	21	26	07	25
October 28, 1995	02	33	37	28	32

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 1996

<u>DATE</u>	<u>WINNING NUMBERS</u>				
November 1, 1995	28	12	14	02	32
November 4, 1995	22	23	02	01	29
November 8, 1995	09	30	15	23	12
November 11, 1995	22	24	13	16	09
November 15, 1995	19	14	11	34	08
November 18, 1995	14	27	18	15	30
November 22, 1995	25	34	35	07	22
November 25, 1995	23	34	08	37	07
November 29, 1995	26	30	16	19	33
December 2, 1995	19	25	15	34	04
December 6, 1995	02	30	27	07	28
December 9, 1995	12	05	30	19	34
December 13, 1995	36	15	19	01	26
December 16, 1995	23	31	25	36	03
December 20, 1995	12	17	34	14	09
December 23, 1995	36	18	01	35	30
December 27, 1995	18	35	37	30	12
December 30, 1995	15	06	01	20	07
January 3, 1996	29	08	01	24	06
January 6, 1996	28	33	23	27	26
January 10, 1996	25	31	34	36	29
January 13, 1996	27	24	20	18	35
January 17, 1996	05	27	37	31	32
January 20, 1996	08	23	12	32	30
January 24, 1996	15	14	28	21	11
January 27, 1996	03	17	19	31	35
January 31, 1996	03	28	11	07	09
February 3, 1996	05	10	34	13	27
February 7, 1996	30	12	10	21	20
February 10, 1996	36	21	15	17	29
February 14, 1996	32	03	09	28	34
February 17, 1996	35	05	07	27	01
February 21, 1996	01	10	36	31	16
February 24, 1996	19	17	11	21	14
February 28, 1996	05	02	21	20	31
March 2, 1996	26	30	16	11	10
March 6, 1996	17	31	11	03	37
March 9, 1996	09	15	14	37	21
March 13, 1996	31	07	05	20	35

MONTANA STATE LOTTERY
 STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
 Year Ended June 30, 1996

<u>DATE</u>	<u>WINNING NUMBERS</u>				
March 16, 1996	28	21	34	36	01
March 20, 1996	22	21	05	12	17
March 23, 1996	01	29	11	28	09
March 27, 1996	15	21	32	28	25
March 30, 1996	31	37	18	25	03
April 3, 1996	15	13	02	14	27
April 6, 1996	10	34	30	25	35
April 10, 1996	05	13	35	29	08
April 13, 1996	23	07	06	02	36
April 17, 1996	21	01	28	29	09
April 20, 1996	04	03	07	34	30
April 24, 1996	21	23	17	10	29
April 27, 1996	26	08	32	11	04
May 1, 1996	19	22	27	08	26
May 4, 1996	34	04	07	08	11
May 8, 1996	32	21	31	36	17
May 11, 1996	11	23	14	33	16
May 15, 1996	36	09	13	02	20
May 18, 1996	07	12	01	20	10
May 22, 1996	13	27	10	30	14
May 25, 1996	23	25	08	16	05
May 29, 1996	09	29	34	33	14
June 1, 1996	19	35	09	18	16
June 5, 1996	30	32	20	24	13
June 8, 1996	23	28	34	25	08
June 12, 1996	19	11	01	12	17
June 15, 1996	25	22	03	18	09
June 19, 1996	37	28	29	23	34
June 22, 1996	10	05	35	09	34
June 26, 1996	31	12	36	16	09
June 29, 1996	27	36	34	32	19

